

SCHEDULE H

GROSS REVENUE CONVERSION FACTOR

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2007-00143

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: NOVEMBER 2008

Base Period: FOR THE TWELVE MONTHS ENDED: JULY 2007

<u>Schedule</u>	<u>Description</u>
H	Gross Revenue Conversion Factor

For electronic version, see KAW_APP_EX37H_043007.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2007-00143
GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2008

DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL X_ UPDATED X_ REVISED
WORKPAPER REFERENCE NO(S): W/P-3

SCHEDULE H
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Witness Responsible: S.A. Miller

Line No.	Description	Central Div	Tri-Village	Elk Lake	Owenton
1		100.00000%	100.00000%	100.00000%	100.00000%
2	Operating Revenues				
3					
4					
5	Less: Uncollectibles	0.880760%	0.880760%	0.880760%	0.880760%
6					
7	Less: PSC Fees	0.16800%	0.16800%	0.16800%	0.16800%
8					
9	Net Revenues	98.9512%	98.9512%	98.9512%	98.9512%
10					
11	SIT Rate:	5.93707%	5.93707%	5.93707%	5.93707%
12		6.00%			
13	Income before Federal Income Taxes	93.01417%	93.01417%	93.01417%	93.01417%
14					
15	FIT Rate:	32.55496%	32.55496%	32.55496%	32.55496%
16		35.00%			
17	Operating Income Percentage	60.45921%	60.45921%	60.45921%	60.45921%
18					
19					
20	Gross Revenue Conversion Factor (1)	1.6540077	1.6540077	1.6540077	1.6540077
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(1) CALCULATED BY DIVIDING 100% BY THE OPERATING INCOME PERCENTAGE